

September 28, 2017

**Ex Parte**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

Re: *Application for Transfer of Control of the Subsidiaries of General Communication, Inc.  
to GCI Liberty, Inc.*, WC Docket No. 17-114

Dear Ms. Dortch:

On September 27, 2017, Robert Hoegle of Nelson Mullins Riley & Scarborough LLP on behalf of Liberty Interactive Corporation (“Liberty Interactive”), and John Nakahata and I on behalf of General Communication, Inc. (“GCI”) spoke with Dan Kahn, Jodie May, and Dennis Johnson of the Competition Policy Division of the Wireline Competition Bureau.

We explained that Liberty Interactive today owns subsidiaries and holds interests in other companies, which it attributes to two tracking stock groups—Liberty Ventures Group and QVC Group. Each tracking stock is a common stock that reflects the performance of the assets within its group. Liberty Interactive remains the entity that holds the subsidiaries and interests, and the tracking stock group of assets has no separate legal identity. We referred to the attached excerpt from Liberty Interactive’s 10-K for 2016. The full 10-K is available at <https://www.sec.gov/Archives/edgar/data/1355096/000155837017001150/lint-20161231x10k.htm>.

We also walked through the steps of the transaction, including the contribution of certain assets of the Liberty Ventures Group to GCI Liberty and the split-off of GCI Liberty from Liberty Interactive. GCI Liberty will be majority-owned by the former shareholders of the Liberty Ventures Group tracking stock. We referred to the attached excerpt from the Preliminary Proxy Statement, Schedule 14A. The full preliminary Schedule 14A is available at <https://www.sec.gov/Archives/edgar/data/1355096/000104746917006062/a2233378zprer14a.htm>.

Please contact me if you have any questions.

Sincerely,



Julie A. Veach  
*Counsel to General Communication, Inc.*

Attachments

cc: Dan Kahn  
Jodie May  
Dennis Johnson

# **Attachment 1**

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
 WASHINGTON, D. C. 20549  
**FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
 For the fiscal year ended December 31, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-33982

**LIBERTY INTERACTIVE CORPORATION**

(Exact name of Registrant as specified in its charter)

State of Delaware  
 (State or other jurisdiction of  
 incorporation or organization)

84-1288730  
 (I.R.S. Employer  
 Identification No.)

12300 Liberty Boulevard  
 Englewood, Colorado  
 (Address of principal executive offices)

80112  
 (Zip Code)

Registrant's telephone number, including area code: (720) 875-5300

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of exchange on which registered
Series A QVC Group Common Stock, par value \$.01 per share	The Nasdaq Stock Market LLC
Series B QVC Group Common Stock, par value \$.01 per share	The Nasdaq Stock Market LLC
Series A Liberty Ventures Common Stock, par value \$.01 per share	The Nasdaq Stock Market LLC
Series B Liberty Ventures Common Stock, par value \$.01 per share	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☐

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐  
 (do not check if  
 smaller reporting company)

Smaller reporting company ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting stock held by nonaffiliates of Liberty Interactive Corporation computed by reference to the last sales price of Liberty Interactive Corporation common stock, as of the closing of trading on the last trading day prior to June 30, 2016, was approximately \$11.2 billion.

The number of outstanding shares of Liberty Interactive Corporation's common stock as of January 31, 2017 was:

	Series A	Series B
QVC Group common stock	425,210,801	29,358,638
Liberty Ventures common stock	81,150,662	4,271,867

**Documents Incorporated by Reference**

The Registrant's definitive proxy statement for its 2017 Annual Meeting of Stockholders is hereby incorporated by reference into Part III of this Annual Report on Form 10-K.

Table of Contents**PART I.****Item 1. Business.***(a) General Development of Business*

Liberty Interactive Corporation, formerly known as Liberty Media Corporation, ("Liberty", the "Company", "we", "us" and "our") owns interests in subsidiaries and other companies which are primarily engaged in the video and online commerce industries. Through our subsidiaries and affiliates, we operate in North America, Europe and Asia. Our principal businesses and assets include our consolidated subsidiaries QVC, Inc. ("QVC"), zulily, llc ("zulily") and Evite, Inc. ("Evite") and our equity affiliates FTD Companies, Inc. ("FTD"), HSN, Inc. ("HSN"), LendingTree, Inc. ("LendingTree") and Liberty Broadband Corporation ("Liberty Broadband").

On September 23, 2011, Liberty completed the split-off of a wholly owned subsidiary, Liberty Media Corporation ("LMC") (formerly known as Liberty CapStarz, Inc. and prior thereto known as Liberty Splitco, Inc.) (the "LMC Split-Off"). At the time of the LMC Split-Off, LMC owned all the assets, businesses and liabilities previously attributed to the Capital and Starz tracking stock groups. The LMC Split-Off was effected by means of a redemption of all of the Liberty Capital common stock and Liberty Starz common stock of Liberty in exchange for the common stock of LMC. Following the LMC Split-Off, Liberty and LMC operate as separately publicly traded companies and neither has any stock ownership, beneficial or otherwise, in the other.

On August 9, 2012, Liberty completed the approved recapitalization of its common stock through the creation of the Liberty Interactive common stock and Liberty Ventures common stock as tracking stocks. In the recapitalization, each holder of Liberty Interactive Corporation common stock remained a holder of the same amount and series of Liberty Interactive common stock and received 0.05 of a share of the corresponding series of Liberty Ventures common stock, by means of a dividend, with cash issued in lieu of fractional shares of Liberty Ventures common stock.

On October 3, 2014, Liberty reattributed from the Interactive Group to the Ventures Group approximately \$1 billion in cash and its Digital Commerce businesses (as defined below), including Backcountry.com, Inc., Bodybuilding.com, LLC ("Bodybuilding"), CommerceHub, Inc. (then, Commerce Technologies, Inc.) ("CommerceHub"), Provide Commerce, Inc. ("Provide"), and Evite (collectively, the "Digital Commerce businesses"). Subsequent to the reattribution, the Interactive Group is now referred to as the QVC Group. The QVC Group has attributed to it Liberty's wholly-owned subsidiaries QVC and zulily (as of October 1, 2015) and its approximate 38% interest in HSN, along with cash and certain liabilities. In connection with the reattribution, the Liberty Interactive tracking stock trading symbol "LINTA" was changed to "QVCA" and the "LINTB" trading symbol to "QVCB," effective October 7, 2014. Other than the issuance of Liberty Ventures shares in the fourth quarter of 2014, the reattribution of tracking stock groups has no consolidated impact on Liberty. Effective June 4, 2015, the name of the "Liberty Interactive common stock" was changed to the "QVC Group common stock."

Tracking stock is a type of common stock that the issuing company intends to reflect or "track" the economic performance of a particular business or "group," rather than the economic performance of the company as a whole. Liberty has two tracking stocks, QVC Group common stock and Liberty Ventures common stock, which are intended to track and reflect the economic performance of the QVC Group and Ventures Group, respectively. While the QVC Group and the Ventures Group have separate collections of businesses, assets and liabilities attributed to them, no group is a separate legal entity and therefore no group can own assets, issue securities or enter into legally binding agreements. Holders of tracking stock have no direct claim to the group's stock or assets and are not represented by separate boards of directors. Instead, holders of tracking stock are stockholders of the parent corporation, with a single board of directors and subject to all of the risks and liabilities of the parent corporation.

On August 27, 2014, Liberty completed the spin-off to holders of its Liberty Ventures common stock shares of its former wholly-owned subsidiary, Liberty TripAdvisor Holdings, Inc. ("TripAdvisor Holdings") (the "TripAdvisor Holdings Spin-Off"), which was effected as a pro-rata dividend of shares of TripAdvisor Holdings to the stockholders of Liberty's Series A and Series B Liberty Ventures common

stock. At the time of the TripAdvisor Holdings Spin-Off, TripAdvisor Holdings was comprised of Liberty's former 22% economic and 57% voting interest in TripAdvisor, Inc.

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("TripAdvisor"), as well as BuySeasons, Inc., Liberty's former wholly-owned subsidiary, and a corporate level net debt balance of \$350 million. Concurrently with TripAdvisor Holdings' execution of certain margin loans in connection with the TripAdvisor Holdings Spin-Off, Liberty and TripAdvisor Holdings entered into a promissory note that expires in 2017 pursuant to which TripAdvisor Holdings may request, if the closing price per share of TripAdvisor common stock were to fall below certain minimum values, up to \$200 million in funds from Liberty. The TripAdvisor Holdings Spin-Off has been recorded at historical cost due to the pro rata nature of the distribution. Following the completion of the TripAdvisor Holdings Spin-Off, Liberty and TripAdvisor Holdings operate as separate, publicly traded companies, and neither has any stock ownership, beneficial or otherwise, in the other. The consolidated financial statements of Liberty have been prepared to reflect TripAdvisor Holdings as discontinued operations.

On October 1, 2015, Liberty acquired zulily, inc. (now known as zulily, llc) for consideration of approximately \$2.3 billion, comprised of \$9.375 of cash and 0.3098 newly issued shares of Series A QVC Group common stock for each zulily share, with cash paid in lieu of any fractional shares. zulily is attributed to the QVC Group. zulily is an online retailer offering customers a fun and entertaining shopping experience with a fresh selection of new product styles launched every day.

On May 18, 2016, Liberty completed a \$2.4 billion investment in Liberty Broadband in connection with the merger of Charter Communications, Inc. ("Legacy Charter") and Time Warner Cable Inc. ("TWC"). The proceeds of this investment were used by Liberty Broadband to fund, in part, its acquisition of \$5 billion of stock in the new public parent company ("Charter") of the combined enterprises. Liberty, along with third party investors, all of whom invested on the same terms as Liberty, purchased newly issued shares of Liberty Broadband Series C common stock at a per share price of \$56.23, which was determined based upon the fair value of Liberty Broadband's net assets on a sum-of-the parts basis at the time the investment agreements were executed. Liberty's investment in Liberty Broadband was funded using cash on hand and is attributed to the Ventures Group. See note 9 for additional information related to this investment.

Liberty also exchanged, in a tax-free transaction, its shares of TWC common stock for shares of Charter Class A common stock, on a one-for-one basis, and Liberty has granted to Liberty Broadband a proxy and a right of first refusal with respect to the shares of Charter Class A common stock held by Liberty in the exchange.

On July 22, 2016, Liberty completed its previously announced spin-off (the "CommerceHub Spin-Off") of its former wholly-owned subsidiary CommerceHub. The CommerceHub Spin-Off was accomplished by the distribution by Liberty of a dividend of (i) 0.1 of a share of CommerceHub's Series A common stock for each outstanding share of Liberty's Series A Liberty Ventures common stock as of 5:00 p.m., New York City time, on July 8, 2016 (such date and time, the "Record Date"), (ii) 0.1 of a share of CommerceHub's Series B common stock for each outstanding share of Liberty's Series B Liberty Ventures common stock as of the Record Date and (iii) 0.2 of a share of CommerceHub's Series C common stock for each outstanding share of Series A and Series B Liberty Ventures common stock as of the Record Date, in each case, with cash paid in lieu of fractional shares. This transaction has been recorded at historical cost due to the pro rata nature of the distribution. The Internal Revenue Service ("IRS") completed its review of the CommerceHub Spin-Off and notified Liberty that it agreed with the nontaxable characterization of the CommerceHub Spin-Off. CommerceHub is included in the Corporate and other segment through July 22, 2016 and is not presented as a discontinued operation as the CommerceHub Spin-Off did not represent a strategic shift that had a major effect on Liberty's operations and financial results.

On November 4, 2016, Liberty completed its previously announced split-off (the "Expedia Holdings Split-Off") of its former wholly-owned subsidiary Liberty Expedia Holdings, Inc. ("Expedia Holdings"). Expedia Holdings is comprised of, among other things, Liberty's former interest in Expedia, Inc.

# **Attachment 2**

PRER14A 1 a2233378zprer14a.htm PRER14A

Use these links to rapidly review the document

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. 1)

Filed by the Registrant ☒Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☒ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☐ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material under §240.14a-12

**Liberty Interactive Corporation**

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☐ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5)

Total fee paid:

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☐ Fee paid previously with preliminary materials.

☒ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

\$742,316

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(2) Form, Schedule or Registration Statement No.:

Registration Statement on Form S-4 (File No. 333-219619)

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(3) Filing Party:

General Communication, Inc.

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(4) Date Filed:

August 1, 2017

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*The questions and answers below highlight only selected information about the Liberty Interactive special meeting and the GCI special meeting, and how to vote your shares. You should read carefully the entire joint proxy statement/prospectus, including the Annexes and the additional documents incorporated by reference herein, to fully understand the proposals being considered at each special meeting.*

**Q: Why am I receiving this document?**

**A:** This document is being delivered to you because you are a shareholder of General Communication, Inc., an Alaska corporation (**GCI**, or following the amendment and restatement of its articles of incorporation, **GCI Liberty**), a holder of Liberty Ventures Common Stock (as defined below) of Liberty Interactive Corporation, a Delaware corporation (**Liberty Interactive**), or a shareholder and stockholder of both. GCI is holding a special meeting of its shareholders (the **GCI special meeting**) and Liberty Interactive is holding a special meeting of holders of its Series A Liberty Ventures common stock, par value \$0.01 per share (**LVNTA**), and Series B Liberty Ventures common stock, par value \$0.01 per share (**LVNTB**, and together with LVNTA, the **Liberty Ventures Common Stock**) (the **Liberty Interactive special meeting**) in connection with the Transactions (as defined below) to be effected pursuant to the Agreement and Plan of Reorganization, dated as of April 4, 2017, by and among Liberty Interactive, Liberty Interactive LLC, a Delaware limited liability company and a wholly owned subsidiary of Liberty Interactive (**Liberty LLC**), and GCI (as amended by Amendment No. 1 to the Reorganization Agreement dated July 19, 2017, and as may be further amended from time to time, the **reorganization agreement**).

The transactions contemplated by the reorganization agreement will occur in several sequential steps:

- GCI will amend and restate its articles of incorporation (as so amended and restated, the **restated GCI Liberty articles**) to, among other things, (i) reclassify each outstanding share of GCI's Class A common stock (the **GCI Class A Common Stock**) into one share of newly authorized Class A-1 common stock (the **GCI Liberty Class A-1 Common Stock**), and each outstanding share of GCI's Class B common stock (the **GCI Class B Common Stock** and, together with the GCI Class A Common Stock, the **Old GCI Common Stock**) into one share of newly authorized Class B-1 common stock (the **GCI Liberty Class B-1 Common Stock** and, together with the GCI Liberty Class A-1 Common Stock, the **Reclassified GCI Liberty Common Stock**) (the **reclassification**), and (ii) authorize Class A common stock (the **GCI Liberty Class A Common Stock**), Class B common stock (the **GCI Liberty Class B Common Stock**), Class C common stock (the **GCI Liberty Class C Common Stock** and, together with the GCI Liberty Class A Common Stock and GCI Liberty Class B Common Stock, the **GCI Liberty Common Stock**) and Series A Cumulative Redeemable Preferred Stock (the **GCI Liberty Preferred Stock** and, together with the GCI Liberty Common Stock, the **GCI Liberty Capital Stock**),
- Following the reclassification, GCI Liberty will cause the automatic conversion of each share of Reclassified GCI Liberty Common Stock into (i) 0.63 of a share of GCI Liberty Class A Common Stock and (ii) 0.2 of a share of GCI Liberty Preferred Stock (the **auto conversion**),
- On the first business day following the auto conversion (but prior to the commencement of the trading day),
  - Liberty Interactive will reattribute certain assets and liabilities (the **reattributed assets and liabilities**) from Liberty Interactive's Ventures Group (the **Ventures Group**) to its QVC Group (the **QVC Group**) (the **retribution**); and

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- Liberty Interactive and Liberty LLC will contribute certain Ventures Group assets and subsidiaries to GCI Liberty (the **contribution**) in exchange for (i) a controlling equity interest in GCI Liberty and (ii) certain exchangeable debentures (as discussed further below).

- Following the completion of the trading day on the same business day on which the contribution occurs, holders of shares of LVNTA and LVNTB will receive one share of the corresponding class of GCI Liberty Common Stock in redemption for each share of LVNTA and LVNTB held at the time of the redemption (the **split-off**, and collectively with the reclassification, auto conversion, reattribution and contribution, the **Transactions**). Upon the completion of the split-off, former GCI shareholders will own approximately 23% of the undiluted equity and approximately 16% of the undiluted voting power of GCI Liberty. Former Ventures Group stockholders will own the remaining equity and voting interests in GCI Liberty.

In connection with the Transactions, a bankruptcy remote wholly owned subsidiary of Liberty Interactive, which will be contributed to GCI Liberty in the contribution (**Broadband Holdco**), intends to enter into a margin loan arrangement in an initial principal amount of up to \$1 billion that will be borrowed between the time of the contribution and the split-off (the **margin loan facility**). The margin loan facility will be secured by all of the shares of Series C common stock (**LBRDK**) of Liberty Broadband Corporation (**Liberty Broadband**) owned by Liberty Interactive and to be contributed to GCI Liberty, which will be held through Broadband Holdco, with one or more third party lenders (the proceeds from such borrowing, the **loan proceeds**). Broadband Holdco will enter into the margin loan facility in order to efficiently monetize the shares of LBRDK and obtain a sufficient amount of cash required to complete the reattribution on a fair value basis pursuant to the terms of the reorganization agreement and Liberty Interactive's restated certificate of incorporation, as amended (the **Liberty Interactive charter**), as well as provide additional liquidity for GCI Liberty. GCI Liberty will also issue up to \$750 million principal amount of 1.75% exchangeable debentures (the **GCI Liberty Charter Exchangeable Debentures**), which will be substantially similar to Liberty LLC's outstanding 1.75% exchangeable debentures due 2046 (the **Liberty Charter Exchangeable Debentures**), to, in effect, take the place of Liberty LLC with respect to such obligations, as the shares of Class A common stock of Charter Communications, Inc. (**Charter**) underlying the Liberty Charter Exchangeable Debentures will be contributed to GCI Liberty in the contribution. As further described herein, Liberty LLC intends to conduct an offer to exchange (the **exchange offer**) any and all of its Liberty Charter Exchangeable Debentures for the GCI Liberty Charter Exchangeable Debentures, subject to and contingent upon the completion of the contribution.

In concluding that the Transactions are in the best interests of Liberty Interactive and its stockholders, the Liberty Interactive board of directors (the **Liberty Interactive Board**) considered a number of benefits, including:

- the opportunity to combine the Ventures Group assets and businesses with GCI, the largest Alaska-based communications provider (as measured by revenues) with strong cash flows, stable revenues, and a complementary business;
- eliminating the complexity associated with Liberty Interactive's current tracking stock capital structure, which is expected to reduce the discounts at which each of its tracking stocks trade and encourage investment in the GCI Liberty Capital Stock and QVC Group common stock (as defined below); and
- allowing Liberty Interactive to achieve its goal of establishing a market-leading, pure-play retail and commerce business with its QVC Group, which should provide Liberty Interactive with a more attractive equity currency that may also be eligible for inclusion in stock indices.

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In concluding that the Transactions are in the best interests of GCI and its stockholders, the GCI board of directors (the **GCI Board**) considered a number of benefits, including:

- the aggregate value and composition of the Transaction Consideration (as defined below) to be received by GCI shareholders represents a significant premium on the pre-announcement trading price of the GCI Class A Common Stock;
- the fact that, since the consideration to be received by GCI shareholders will be paid in GCI Liberty shares, the GCI shareholders would have the opportunity to participate in any future earnings and growth of GCI Liberty and future appreciation in the value of the GCI Liberty Capital Stock following the closing of the Transactions; and
- the larger capital base of the combined company, which would improve GCI Liberty's access to capital markets and put the combined company in a position to respond more quickly to market opportunities.

**Q: What is the reclassification?**

- A:** Following the satisfaction (or waiver if applicable) of certain closing conditions, including the receipt of regulatory approvals and the stockholder approvals described herein (as further described below), GCI will file the restated GCI Liberty articles with the Commissioner of the Department of Commerce, Community and Economic Development of the State of Alaska (the **Alaska Commissioner**). Upon written notice from the Alaska Commissioner that the restated GCI Liberty articles have been accepted for filing (the **Alaska Notice**), (A) GCI's name will be changed to "GCI Liberty, Inc." and (B) (i) each outstanding share of GCI Class A Common Stock will be reclassified into one share of GCI Liberty Class A-1 Common Stock, and (ii) each outstanding share of GCI Class B Common Stock will be reclassified into one share of GCI Liberty Class B-1 Common Stock. The GCI Liberty Class A-1 Common Stock and GCI Liberty Class B-1 Common Stock will have rights, powers and preferences substantially similar to those of the GCI Class A Common Stock and GCI Class B Common Stock, respectively, except that such shares will automatically convert into shares of GCI Liberty Class A Common Stock and GCI Liberty Preferred Stock upon the auto conversion as further described herein.

No shares of GCI Liberty Class C Common Stock will be issued in connection with the reclassification or as part of the Transactions. However, the restated GCI Liberty articles will authorize the creation of GCI Liberty Class C Common Stock in order to replicate the provisions of the Liberty Interactive Charter as closely as possible, other than (i) with respect to those provisions relating to Liberty Interactive's tracking stock capital structure and (ii) to account for certain differences between applicable Alaskan and Delaware law. Additionally, the restated GCI Liberty articles are intended to be substantially similar to the certificate of incorporation of the surviving corporation in the reincorporation merger (as defined herein) (the **GCI Liberty Delaware charter**). See "—What is the reincorporation merger?" If, in the future, GCI Liberty decides to issue shares of GCI Liberty Class C Common Stock (for example, in connection with a two-for-one dividend), the high number of shares of GCI Liberty Class C Common Stock authorized in the restated GCI Liberty articles (and that will be authorized in the GCI Liberty Delaware charter following the reincorporation merger) would allow for sufficient trading capital and a significant public float to create a liquid trading market for shares of GCI Liberty Class C Common Stock.

**Q: What is the auto conversion?**

- A:** Promptly following the reclassification but subject to the satisfaction (or waiver if applicable) of certain closing conditions (as described below), GCI will cause to be filed with the Securities and Exchange Commission (the **SEC**) a Current Report on Form 8-K, which will report that the Transactions have gone unconditional. Upon the SEC's acceptance of this Form 8-K, the auto

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conversion will be automatically effected. Accordingly, at such time, each outstanding share of GCI Liberty Class A-1 Common Stock and each outstanding share of GCI Liberty Class B-1 Common Stock will convert into (i) 0.63 of a share of GCI Liberty Class A Common Stock and (ii) 0.2 of a share of GCI Liberty Preferred Stock (with fractional shares being issued, as applicable, as further described herein).

**Q: What is the contribution?**

**A:** On the business day immediately following the day on which the auto conversion occurs but subject to the satisfaction (or waiver if applicable) of certain closing conditions (as described below), Liberty Interactive and Liberty LLC will contribute certain assets and subsidiaries attributed to Liberty Interactive's Ventures Group (the **contributed Ventures assets**; see below under "Information About the Transactions—The Reorganization Agreement—Structure of the Transactions—Contribution" and "Information About the Transactions—The Reorganization Agreement—Assets and Liabilities Subject to the Reattribution and Contribution") to GCI Liberty in exchange for (i) the issuance to Liberty LLC of (x) a number of shares of GCI Liberty Class A Common Stock and a number of shares of GCI Liberty Class B Common Stock equal to the number of outstanding shares of LVNTA and LVNTB on such date, respectively, (y) certain exchangeable debentures as further described herein and (z) cash and (ii) the assumption by GCI of certain liabilities attributed to the Ventures Group (the **assumed liabilities**; see below under "Information About the Transactions—The Reorganization Agreement—Structure of the Transactions—Contribution" and "Information About the Transactions—The Reorganization Agreement—Assets and Liabilities Subject to the Reattribution and Contribution"). The assets to be contributed to GCI Liberty include Liberty Interactive's entire equity interests in Liberty Broadband and Charter, along with, subject to certain exceptions, Liberty Interactive's entire equity interests in LendingTree, Inc. (**LendingTree**) and FTD Companies, Inc. (**FTD**), together with the operating business of Evite, Inc. (**Evite**) and certain other assets and liabilities.

Prior to the effective time of the contribution, Liberty Interactive will reattribute the reattributed assets and liabilities from the Ventures Group to the QVC Group. The reattributed assets and liabilities, if effected as of the date hereof, would include cash, Liberty Interactive's interest in ILG, Inc. (**ILG**), certain green energy investments, Liberty LLC's exchangeable debentures (other than its outstanding Liberty Charter Exchangeable Debentures that are exchanged in the exchange offer described below under "—What transactions are occurring in connection with the Transactions other than those involved in the reclassification, auto conversion, contribution and split-off?"), and certain tax liabilities and benefits. Liberty Interactive will complete the reattribution using similar valuation methodologies to those used in connection with its previous reattributions, including taking into account the advice of its financial advisor. The amount of cash to be reattributed in the reattribution will be equal to the amount by which the fair value of the aggregate liabilities attributed to the Ventures Group (including any retained exchangeable debentures (as defined below)) to be reattributed exceeds the fair value of the assets (other than cash) attributed to the Ventures Group to be reattributed, in each case, as of the date of the reattribution.

**Q: Why is Liberty Interactive reattributing certain assets and liabilities from the Ventures Group to the QVC Group in connection with the Transactions?**

**A:** Prior to the contribution, Liberty Interactive will reattribute certain assets and liabilities from the Ventures Group to QVC Group pursuant to the reattribution, as described above. The reattribution is intended to accomplish multiple purposes. First, it is intended to ensure that, following the completion of the Transactions, both GCI Liberty and the QVC Group have a prudent capital structure with sufficient liquidity to service their respective debt obligations and,

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with regard to the QVC Group, to replicate some of the tax efficiencies associated with Liberty Interactive's current tracking stock structure. For example, Liberty Interactive has included its green energy investments among the reattributed assets because such investments generate tax benefits which the QVC Group can likely utilize more effectively than GCI Liberty. Also, Liberty Interactive's interest in ILG is a liquid asset that may be monetized relatively quickly through market sales or other financing arrangements.

Unlike the assets described above which the Liberty Interactive Board chose to include, each series of publicly traded exchangeable debentures currently attributed to the Ventures Group, including the Liberty Charter Exchangeable Debentures, is a debt security of Liberty LLC (which will remain a subsidiary of Liberty Interactive following the split-off), and it would be impermissible under the related indenture for these debt instruments to be contributed to GCI Liberty. Accordingly, they must be reattributed to the QVC Group before the split-off occurs.

Lastly, the amount of cash to be included in the reattribution will depend on the fair value of the reattributed assets and liabilities as of the date of the reattribution. Pursuant to the Liberty Interactive charter, and its Management and Allocation Policies, the fair value of assets to be reattributed must be equal to the fair value of liabilities to be attributed concurrently. If the latter exceeds the former (as we expect will be the case in the reattribution), another asset, such as cash, must be added to the reattributed asset pool to eliminate that deficit.

**Q: What is the split-off?**

**A:** At 4:01 p.m., New York City time, on the day of the contribution (such date and time, the **redemption date**) but subject to the satisfaction (or waiver if applicable) of certain closing conditions (as described below), Liberty Interactive will redeem (i) each outstanding share of LVNTA for one share of GCI Liberty Class A Common Stock and (ii) each outstanding share of LVNTB for one share of GCI Liberty Class B Common Stock (the **redemption**), such that all shares of GCI Liberty Class A Common Stock and GCI Liberty Class B Common Stock received by Liberty LLC in connection with the contribution will be distributed by Liberty Interactive to holders of LVNTA and LVNTB, respectively, and GCI Liberty and Liberty Interactive will be separate publicly traded companies.

**Q: What am I being asked to vote on?**

**A:** *Liberty Interactive.* Holders of shares of LVNTA and holders of shares of LVNTB (such holders, together, the **Liberty Ventures stockholders**) are being asked to approve at the Liberty Interactive special meeting:

- a proposal to approve the redemption of each share of LVNTA and LVNTB in exchange for one share of GCI Liberty Class A Common Stock and GCI Liberty Class B Common Stock, respectively, following the acquisition of such shares by Liberty LLC in connection with the contribution (the **redemption proposal**); and
- a proposal to authorize the adjournment of the Liberty Interactive special meeting by Liberty Interactive to permit further solicitation of proxies, if necessary or appropriate, if sufficient votes are not represented at the Liberty Interactive special meeting to approve the redemption proposal (the **Liberty Interactive adjournment proposal**).

The approval of the redemption proposal is a condition to the completion of the Transactions. The approval of the Liberty Interactive adjournment proposal is not a condition to the completion of the Transactions.

Table of Contents**SUMMARY**

*The following summary includes information contained elsewhere in this joint proxy statement/prospectus. This summary does not contain all of the important information that you should consider before voting on the proposals. You should read the entire joint proxy statement/prospectus, including the Annexes and the documents incorporated by reference herein, carefully.*

**The Companies*****Liberty Interactive and Liberty LLC***

Liberty Interactive is a Delaware corporation and owns interests in companies primarily engaged in the video and online commerce industries. Through its subsidiaries, including Liberty LLC, and affiliates, it operates in North America, Europe and Asia. Its principal businesses and assets include its consolidated subsidiaries QVC, Inc. (**QVC**), zulily, llc (**zulily**) and Evite and its equity affiliates FTD, HSN, Inc. (**HSN**), LendingTree, Charter and Liberty Broadband.

Liberty Interactive's corporate structure includes two tracking stocks, each of which tracks a tracking stock group. Tracking stocks are a type of capital stock that the issuing company intends to reflect or "track" the economic performance of a particular business or "group," rather than the economic performance of the company as a whole. Each group has a separate collection of businesses, assets and liabilities attributed to it, but no group is a separate legal entity and, therefore, no group can own assets, issue securities or enter into legally binding agreements. Liberty Interactive's two tracking stocks are the QVC Group common stock and the Liberty Ventures Common Stock, which are intended to track and reflect the economic performance of the QVC Group and the Ventures Group, respectively. The QVC Group common stock trades on the Nasdaq Global Select Market under the ticker symbols "QVCA" and "QVCB", and the Liberty Ventures Common Stock trades on the Nasdaq Global Select Market under the ticker symbols "LVNTA" and "LVNTB".

Currently, the QVC Group has attributed to it, among other things, Liberty Interactive's wholly-owned subsidiaries QVC and zulily and its approximate 38% interest in HSN, along with cash and certain liabilities. On July 5, 2017, Liberty Interactive and HSN entered into an agreement whereby Liberty Interactive will acquire the 62% of HSN that it does not already own in an all-stock transaction expected to be completed by the fourth quarter of 2017. The Ventures Group has attributed to it, among other things, Liberty Interactive's equity interests in FTD, LendingTree, Charter and Liberty Broadband, and certain liabilities relating to Liberty LLC's exchangeable debentures, along with cash and certain other liabilities.

The address of Liberty Interactive's principal executive office is 12300 Liberty Boulevard, Englewood, Colorado 80112, and its telephone number is (720) 875-5300.

***GCI***

GCI is a publicly traded holding company which, through its subsidiaries, is the largest Alaska-based communications provider as measured by revenues. GCI provides a full range of wireless, data, video, voice, and managed services to residential customers, businesses, governmental entities, and educational and medical institutions primarily in Alaska under the GCI brand. Due to the unique nature of the markets GCI serves, including harsh winter weather and remote geographies, GCI's customers rely extensively on its systems to meet their communication and entertainment needs.

Since GCI's founding in 1979 as a competitive long distance provider, GCI has consistently expanded its product portfolio and facilities to become the leading integrated communication services provider in its markets. GCI's facilities include redundant and geographically diverse digital undersea fiber optic cable systems linking its Alaska terrestrial networks to the networks of other carriers in the

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lower 48 contiguous states. In recent years, GCI expanded its efforts in wireless and presently operates the only statewide wireless network.

For the year ended December 31, 2016, GCI generated consolidated revenues of \$933.8 million. GCI ended the year with 222,500 wireless subscribers, 140,800 cable modem subscribers and 125,800 basic video subscribers.

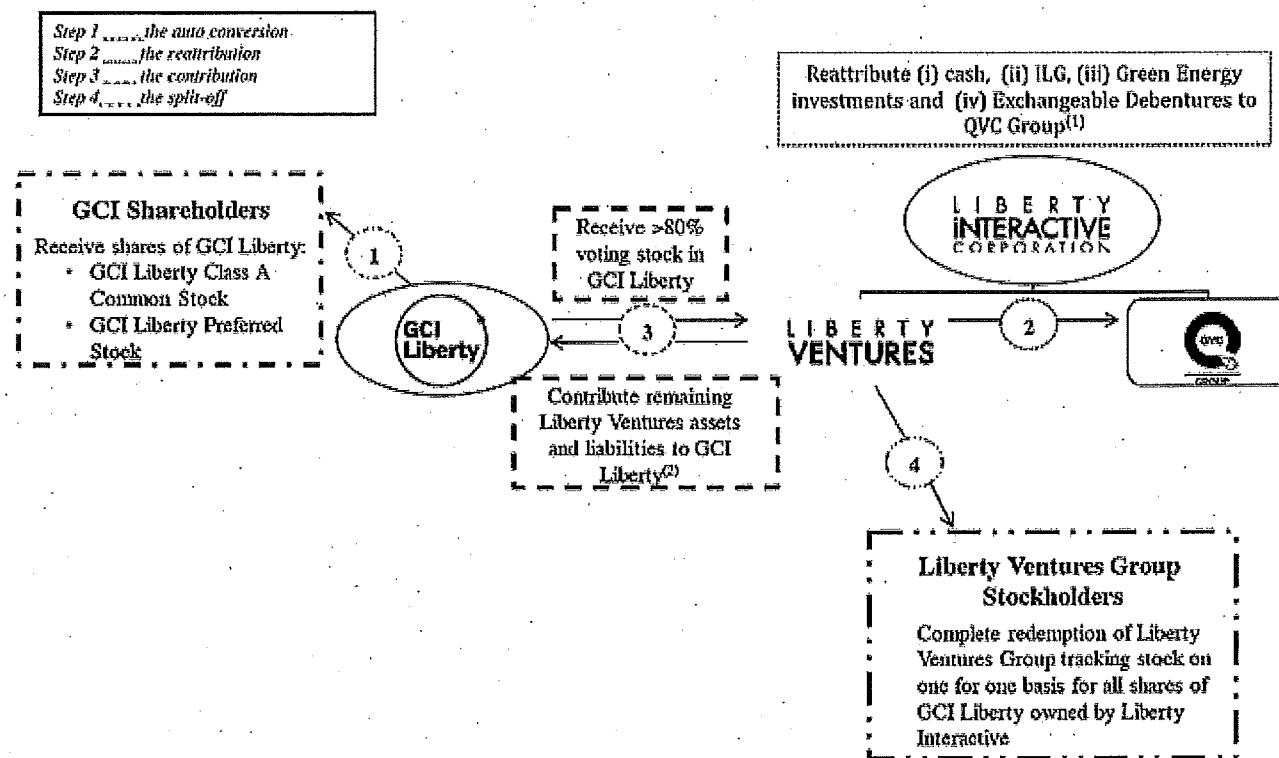
The address of GCI's principal executive office is 2550 Denali Street, Suite 1000, Anchorage, Alaska 99503, and its telephone number is (907) 868-5600.

### The Transactions

Please refer to the information included in Questions and Answers above for a summary of the terms and conditions of the Transactions. For ease of reference, set forth are illustrative diagrams intended to supplement your understanding of the structure of the Transactions:

#### The Steps of the Transactions

Following the reclassification, the following four steps will occur in sequence to effect the closing of the Transactions:



- (1) Includes Liberty Interactive's 4.00%, 3.75%, 3.50% and 0.75% Exchangeable Debentures. Subject to the exchange offer as described in "Q: What transactions are occurring in connection with the Transactions other than those involved in the reclassification, auto conversion, contribution and split-off?" of this joint proxy statement/prospectus, some amount of Liberty Interactive's 1.75% Charter Exchangeable Debentures may be reattributed to QVC Group with offsetting amount of cash and indemnification from GCI Liberty for certain payment obligations through put date on October 23, 2023.

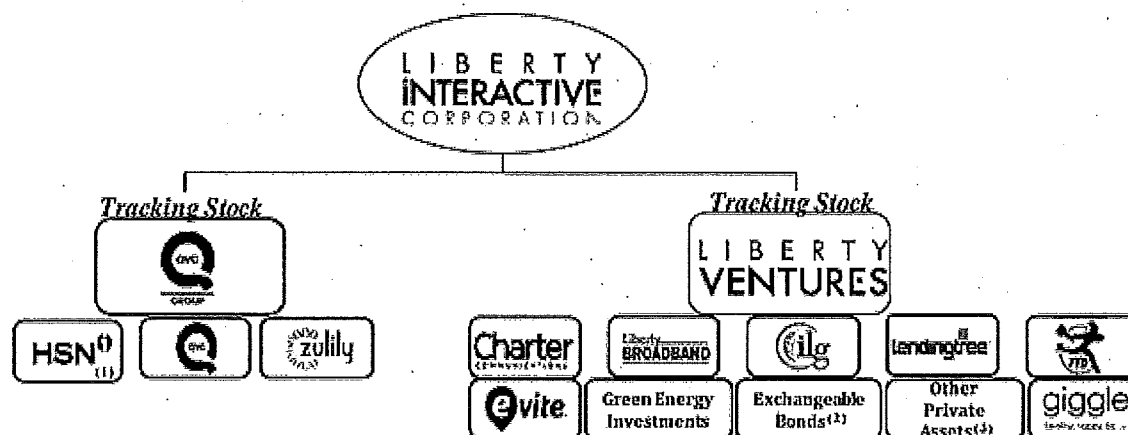




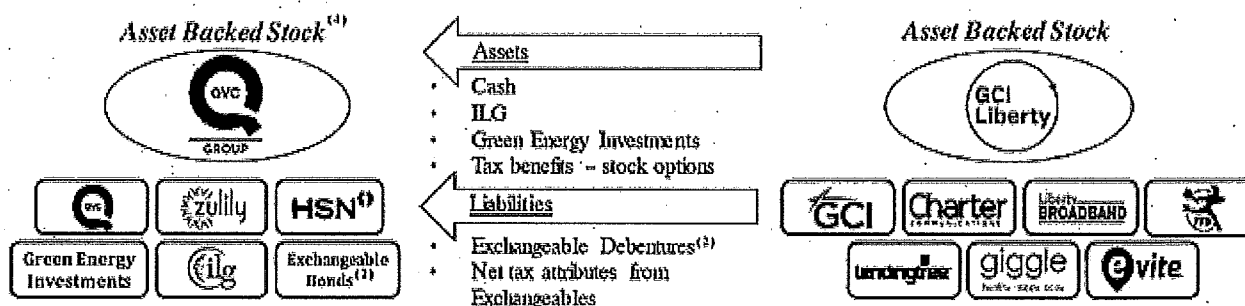
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- (2) Intended to include stakes of Charter and Liberty Broadband, and subject to certain exceptions, Giggle, LendingTree, Evite and FTD; Excludes Sound Ventures, Quid, Brit+Co and Liberty Israel Venture Fund II, which are expected to be sold.

## Liberty Interactive Structure Before the Transactions



## The Reattribution - the Pro Forma Structure



- (1) On July 5, 2017, Liberty Interactive and HSN entered into an agreement whereby Liberty Interactive will acquire the 62% of HSN it does not already own in an all-stock transaction that is expected to be completed by the fourth quarter of 2017.
- (2) Includes Liberty Interactive's 4.00%, 3.75%, 3.50% and 0.75% Exchangeable Debentures. Subject to the exchange offer as described in "Q: What transactions are occurring in connection with the Transactions other than those involved in the reclassification, auto conversion, contribution and split-off?" of this joint proxy statement/prospectus, some amount of Liberty Charter Exchangeable Debentures may be reattributed to QVC Group with offsetting amount of cash and indemnification from GCI Liberty for payment obligations through the put date of October 2023.
- (3) Sound Ventures, Quid, Brit+Co, Liberty Israel Venture Fund II, which are expected to be sold.
- (4) Following the Transactions, the QVC Group common stock will become the only outstanding common stock of Liberty Interactive, and thus will cease to function as a tracking stock and will effectively become an asset-backed stock, even though Liberty Interactive's tracking stock structure will remain in place until the Liberty Interactive charter is amended to eliminate the tracking stock specific provisions. Liberty Interactive expects to submit this amended charter for the approval of the QVC Group stockholders at its 2018 annual meeting of stockholders, which is expected to be held during the second quarter of 2018.